

Submitter information

The Ministry of Business, Innovation and Employment (MBIE) would appreciate if you would provide some information about yourself. If you choose to provide information in the "About you" section below it will be used to help MBIE understand the impact of our proposals on different occupational groups. Any information you provide will be stored securely.

A. About you

Name:

Privacy of natural persons

Email address:

Privacy of natural persons

B. Are you happy for MBIE to contact you if we have questions about your submission?

Yes

No

C. Are you making this submission on behalf of a business or organisation?

Yes

No

If yes, please tell us the title of your company/organisation:

D. The best way to describe your role is:

Academic/researcher

Independent expert (please specify below)

Consultant (please specify below)

Business owner (please specify below)

Tradesperson (please specify below)

Student (please specify below)

Industry group (please specify below)

Other (please specify below)

Industry participant (please specify below)

Prefer not to say

Please specify here:

Business Analyst

E. Privacy information

The Privacy Act 2020 applies to submissions. Please check the box if you do not wish your name or other personal information to be included in any information about submissions that MBIE may publish.

MBIE may upload submissions, or a summary of submissions, received to MBIE's website at www.mbie.govt.nz. If you do not want your submission or a summary of your submission to be placed on our website, please check the box and type an explanation below:

I do not want my submission placed on MBIE's website because... [insert reasoning here]

F. Confidential information

I would like my submission (or identifiable parts of my submission) to be kept confidential and have stated my reasons and ground under section 9 of the Official Information Act that I believe apply, for consideration by MBIE.

If you have checked this box, please tell us what parts of your submission are to be kept confidential.

A Minerals Strategy for New Zealand to 2040

MBIE is developing a *Minerals Strategy for New Zealand to 2040* to enable us to take a long-term, strategic approach to how we develop our mineral resources. This does not include petroleum which already has an advanced regulatory regime.

Minerals play an essential role in New Zealand's economic growth through high-paying jobs, Crown royalties, direct positive impact in the regions where mining takes place, and through export revenues. Minerals are also critical inputs into products that are necessary for other sectors to thrive, including the use of aggregates in construction and infrastructure.

Minerals will continue to play a major role in New Zealand's export-led economic growth and contribute to our economic functions, but the minerals sector faces some risks and challenges. These include lack of complete understanding about our minerals ecosystem, supply risks, social license, and a regulatory system that needs to be improved to enable investments.

These challenges require a long-term strategic approach to ensure that resource development for our economic prosperity happens in a responsible manner. Developing a minerals strategy is a fundamental first step in ensuring that we have a strategic framework for resource production.

The Minerals Strategy Discussion Document seeks feedback on the context and design of the strategy. It discusses key strategic issues, challenges and opportunities facing the minerals sector in New Zealand, and how we could address them.

The strategy is built on three key pillars, **Enhancing prosperity for New Zealanders**, **Demonstrating the sector's value**, and **Delivering minerals for a clean energy transition**, and identifies specific actions the Government could take to position the minerals sector to deliver value in an environmentally responsible manner.

Please see the Minerals Strategy Discussion Document for more information.

Questions for the consultation

1. Are the strategic pillars of the Draft Strategy (**Enhancing prosperity for New Zealanders**, **Demonstrating the sector's value**, and **Delivering minerals for a clean energy transition**) suitable or is there more we need to consider?

Yes, they are suitable No, they are not suitable Not sure/no preference

Is there anything you would like to tell us about the reason(s) for your choice? Or is there more we need to consider?

It's not that the strategy is not suitable, it's that it is not achievable. Mining can never enhance New Zealand's prosperity because: a) the mining companies are owned by foreign interests and profits will go offshore b) New Zealand's royalty regime is tiny so we make almost nothing from it and c) it has a detrimental impact on the environment and other activities reliant on the environment which are far more profitable and less harmful.

Trans-Tasman Resources is Australian-owned. Oceana Gold is Canadian and Chatham Rock Phosphate is listed on the Canadian stock exchange. Bathurst Resources is Australian. Miner Clive Palmer is Australian. The profits from the selling and processing of their minerals would not be paid out here, they'd be paid to the shareholders in those countries.

The Minister has said the \$21 million bought to the country by the royalty regime last year could rise to as much as \$40million. This is a pittance economically. Aside from oil and gas, minerals companies pay around

2.5% on the minerals they mine, and pay nothing if they're not making a profit in New Zealand. The sector as a whole is also not a strong employment or income generator. Waihi – a centre for gold mining in Aotearoa New Zealand for more than a century is one of the most socio-economically deprived areas in the country. Similarly, the people of the West Coast of the South Island, another mining mecca, have hardly benefited from previous mining activity. In this context, doubling of the value of exports by 2030 means little in an industry where commodity values fluctuate dramatically, and where the returns to local and national economies are typically a small fraction of the value of any mineral extracted. Even if the export value was doubled to \$2 billion that is nothing in the scheme of things. In one year (2023), international tourism expenditure alone was worth \$10.8 billion. Domestic tourism was worth even more than that. \$2 billion barely covers 2 of the proposed Roads of National Significance and the irreversible damage to our environment caused by accelerating these activities will cost us far more. The last thing we need is to be spending more taxpayers' money cleaning up after another Tui mine. Taking this track is gambling with the New Zealand economy.

To the second pillar, because of the foreign ownership and the impact on other activities, the sector's value to New Zealand cannot practically be demonstrated.

To the third pillar, a transition to clean energy means a lot less mining. This is because in order to run coal-fired electricity, you need to keep digging up more coal, whereas wind and solar (like coal) need minerals to build the plant, but after that, don't need further mining. Not to mention the minerals required in the largest volumes for a green transition are iron ore, copper, nickel and bauxite – none of which we have in significant quantities.

In order for mining to genuinely enhance New Zealand's prosperity and provide value, there needs to be a fourth pillar of ensuring mining is consented and actioned within a robust, appropriate and enforced environmental framework. Applicants must demonstrate that their activity will not detrimentally impact other economic activities that are reliant on a healthy environment, or destroy areas of environmental significance such as threatened species' habitat and waterways.

2. Are the key actions the right ones to deliver on our strategic pillars, and are they ambitious enough?

- Yes, the actions are the right ones and are ambitious enough
 No, the actions are not the right ones and not ambitious enough
 Not sure/no preference

If **No**, what else might we need to consider?

It is critically important that any new mines consented in New Zealand are done so within a robust regulatory framework and are submitted to a thorough environmental and economic assessment, including a business case, an independent cost benefit analysis and assessment of the applying company. Given the enormous impact of mining on our landscapes and biodiversity, no mining should be consented if it will end up making less of a profit than what it has cost in terms of environmental damage and the public good.

3. Are there opportunities for our minerals sector we haven't considered?

- Yes, there are No, there are none Not sure/no preference

If **Yes**, what are the opportunities for our minerals sectors we should consider?

Weirdly this is listed as a challenge in the strategy doc but given how much of the world's minerals have already been extracted, it would be worth exploring what opportunities are available in recovery/reuse and recycling already extracted minerals, for example from existing mine tailings and obsolete products that contain mineral in their components. If recovery facilities were set up on-shore by New Zealand-owned companies, it would create sustainable long-term jobs and keep profits in New Zealand. It would also resolve some of the issues around obtaining mineral resources without adverse environmental impacts.

4. Are there challenges for our minerals sector we haven't considered?

- Yes, there are other challenges not considered
 No, all challenges have been considered
 Not sure/no preference

Is there anything you would like to tell us about the reason(s) for your choice?

Any sector worth its weight should be looking at external trends in the industry and wider environment before deciding whether to plough ahead with a status quo plan. Globally, mining and production is exhausting the world's supply of many minerals so the ability to profit from 'new' mining will continue to decrease. Global research and development, especially into batteries, is already looking at cleaner alternatives. Sodium-Ion batteries for EVs are already on the market in China and look set to dominate the future of long-duration energy storage. For the bigger batteries, researchers in Finland have developed a large thermal battery that stores heat in sand. New Zealand's mining permits typically relate to gold and coal, one of which is the opposite of what is needed for clean energy. The world is moving on from needing the minerals NZ has for the clean energy transition.

5. Are there any other things we have missed that we should include, or things we should not include?

These things could be economic/financial, environmental, health and safety related, or other areas.

We are in the middle of both a climate and a biodiversity crisis in New Zealand and globally. It is critical that we manage mining operations appropriately to avoid causing more harm to biodiversity. Any strategy for mining must fit within the boundaries of New Zealand's wider needs and long-term future by ensuring it is applied only to minerals there is a genuine need for, in appropriate areas, where it is possible to mitigate negative impacts AND that the impacts of the consent have been properly assessed – financially, environmentally and socially - before any permits are given.

Thank you

Thanks for your feedback, we really appreciate your insight. It helps us establish a long-term strategic approach to ensure that resource development for our economic prosperity happens in a responsible manner.

To help us continue to develop a Minerals Strategy for New Zealand to 2040, we would appreciate any additional suggestions or comments you may have.

Please leave your feedback here:

